

ENDORSEMENT

Issued by
Land Title Company of Kitsap County
agent for
Chicago Title Insurance Company

Our File No.: E-202489

Guarantee No.: 7208647-2129

Reference:

The Company hereby assures the Assured that there are no matters shown by the public records which affect the estate or interest described in Schedule A, other than those shown in Schedule B, EXCEPT:

The title to the estate or interest in the land is at the extended effective date hereof vested in:

(b) (6) as his separate property, as to Parcel I; AND WILLIAM J. SESKO AND NATACHA H. SESKO, husband and wife, as to Parcels II and III

The special exceptions at the following numbered paragraphs of our Guarantee are hereby deleted:

PLEASE DELETE PARAGRAPH(S) 24 AND 25 FROM OUR GUARANTEE.

The special exceptions at the following numbered paragraphs are hereby added/amended to our Guarantee:

PLEASE ADD PARAGRAPH(S) 30 TO OUR GUARANTEE AS FOLLOWS:

Pendency of probate proceedings;
Deceased: William J. Sesko
Case No: 04-4-00770-3
Personal
Representative: Natacha H. Sesko
Attorney for Estate: John S. Tracy

The above named Personal Representative is authorized to administer the estate without court intervention.

The effective date of the Guarantee is hereby extended to the date shown herein, subject, however, to any additional matters shown above.

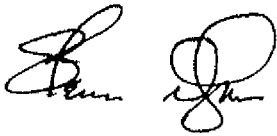
The total liability of the Company under said Guarantee and this endorsement thereto shall not exceed, in the aggregate, the amount stated in said Guarantee. This endorsement is made a part of said Guarantee and is subject to the exclusions from coverage, the limits of liability, and the other provisions of the Conditions and Stipulations therein, except as modified by the provisions hereof.

Effective date: April 15, 2005 at 8:00 a.m.

Work Fee: \$

Tax: \$

Chicago Title Insurance Company



By: _____
Authorized Signatory

LITIGATION/TRUSTEE'S SALE/CONTRACT FORFEITURE GUARANTEE

Office File No.: E-202489

Policy No.: 7208647-2129

SCHEDULE B

SPECIAL EXCEPTIONS:

1. Real Estate Contract, including its terms, covenants, conditions and provisions;
Recorded: October 12, 1971
Recording No.: 1007963
Seller: (b) (6); husband and wife
Purchaser: C, Z & L Investors, Inc., a Washington corporation
Excise Receipt No.: 87004

(Affects Parcel I)
 - a. The Purchaser's interest in said contract is now held of record by:
William J. Sesko and natacha H. Sesko, husband and wife, as to the East 1 acre only and C, Z&L Investors, Inc., a Washington corporation, as to the remainder.
2. Agreement, including its terms, covenants and provisions;
Recorded: October 12, 1971
Recording No.: 1007964
For: Sales Agreement

(Affects Parcel I)
3. Easement, including its terms, covenants and provisions as disclosed by instrument;
Recorded: December 19, 1980
Recording No: 8012190086
For: storm sewer
Affects: 15 foot portion of Parcel II
4. Easement, including its terms, covenants and provisions as disclosed by instrument;
Recorded: December 19, 1980
Recording No: 8012190081
For: storm sewer
Affects: 15 foot portion of Parcel I
5. Claim of lien;
In Favor of: City of Bremerton
Recorded: August 12, 1998
Auditor's File No.: 3109729
In the Amount of: \$1,360.27 plus interest and penalties

(Affects Parcels I and II)
6. Covenants, conditions and restrictions contained in the following instrument, but omitting any covenant, condition or restriction based on race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped person;
Recorded: September 18, 1975
Recording No.: 1111100

(Affects Parcel II)
7. Easement, including its terms, covenants and provisions as disclosed by instrument;
Recorded: January 16, 1940
Recording Nos.: 305862 and 305863
For: sewer pipes
Affects: portion of Parcel III
8. Easement, including its terms, covenants and provisions as disclosed by instrument;

SCHEDULE B
(Continued)

Recorded: March 12, 1940 and January 29, 1942
Recording Nos.: 308382 and 353788
For: sewer
Affects: portion of Parcel III

9. Easement, including its terms, covenants and provisions as disclosed by instrument;
Recorded: September 29, 1948
Recording No: 476954
For: sewer
Affects: portion of Parcel III
10. Easement, including its terms, covenants and provisions as disclosed by instrument;
Recorded: October 20, 1952
Recording No: 565812
For: driveway
Affects: portion of Parcel III
11. Easement for sewer pipes as established by Kitsap County Superior Court Cause No. 26012, as disclosed by document recorded under Auditor's File No. 565812.

(Affects portion of Parcel III)
12. Easement, including its terms, covenants and provisions as disclosed by instrument;
Recorded: May 22, 1941
Recording No: 336749
For: multiple purposes
Affects: portion of said premises

Said easement was modified by Quit Claim Deed recorded under Auditor's File No. 1083084.
13. Terms and conditions of Assignment of Easement dated November 6, 1980 recorded November 21, 1980, under Auditor's File No. 8011210136 between (b) (6) [REDACTED], owner of certain easements and Service Fuel Company, Inc., a Washington Corporation, pertaining to easements serving subject premises.
14. Easement, including its terms, covenants and provisions as disclosed by instrument;
Recorded: November 1, 1983
Recording No: 8311010093
For: sewer pipes
Affects: portion of Parcel III
15. Agreement, including its terms, covenants and provisions;
Recorded: November 1, 1983
Recording No.: 8311010094
For: general easement

(Affects Parcel III)
16. Any question that may arise as to the location of the lateral boundaries of the tidelands or shorelands described herein.
17. Any prohibition or limitation on the use, occupancy or improvements of the land resulting from the rights of the public or riparian owners to use any waters which may cover the land or to use any portion of the land which is now or may formerly have been covered by water, and the right of use, control or regulation by the United States of America in exercise of power over navigation.
18. Deed of trust, to secure an indebtedness of \$300,000.00 including any interest, advances or other obligations secured thereby;
Recorded: July 15, 1983

SCHEDULE B

(Continued)

Recording No.:8307150130

Grantor:Frederick Paul McConkey and Margaret M. McConkey, husband and wife

Trustee:Chicago Title Agency of Kitsap County

Beneficiary:The National Bank of Bremerton

(Affects Parcel III)

- a. The beneficiary's interest was assigned by instrument;
Recorded:August 1, 1984
Recording No.:8408010010
To:Kitsap County Bank
 - b. 'Subordination Agreement' recorded under Auditor's File No. 8508020137, referencing the Deed of Trust recorded under Auditor's File No. 8508020138, and the Deed of Trust recorded under Auditor's File No. 8307150130.
19. Judgment against:William Sesko and Natacha Sesko, husband and wife
In favor of:Jerry Reid
In the amount of:\$2,355.00
Date entered:January 13, 1998
KITSAP County
Judgt. No:98-9-00109-4
Superior Court Case:95-2-01067-1
Attorney for Creditor:Gary Allen Cunningham
 20. Judgment against:William Sesko and Natasha Sesko, husband and wife
In favor of:R. Paul McConkey dba Penn Plaza Industrial Park
In the amount of:\$7,256.40
Date entered:April 4, 2003
KITSAP County
Judgt. No:03-9-01023-2
Superior Court Case:02-2-01822-1
Attorney for Creditor:Joel Cartwright Merkel
 21. Judgement in favor of City of Bremerton against William Sesko and Natacha Sesko in an undisclosed amount recorded under Auditor's File Nos. 200110020401 and 200110020402.
 22. Judgment against:Natacha Sesko
In favor of:The City of Bremerton
In the amount of:\$172,462.26
Date entered:March 11, 2005
KITSAP County
Judgt. No:05-9-00829-3
Superior Court Case:97-2-01748-5
Attorney for Creditor:David P. Horton
 23. Judgment against:Natacha Sesko
In favor of:The City of Bremerton
In the amount of:\$79,792.19
Date entered:March 15, 2005
KITSAP County
Judgt. No:05-9-01212-6
Superior Court Case:97-2-01749-3
Attorney for Creditor:David P. Horton
 24. Subject to matters disclosed upon further examination of Superior Court Cause No. 00-4-00133-8.
 25. Subject to matters disclosed upon further examination of Superior Court Cause No. 03-9-01023-2.
 26. Right of any interested party to sue or petition to have set aside, modified or contest a judicial or non-judicial

Litigation/Trustee's Sale/Contract Forfeiture Guarantee
Schedule B

(E-202489,PFD/E-202489/5)

BREMERTON-000948

SCHEDULE B
(Continued)

foreclosure or forfeiture, or any deed pursuant thereto, through which title to the land described herein is derived, provided the cause for such suit or petition is occasioned by acts or omissions of the foreclosing party not specifically otherwise insured against in the policy.

27. General taxes for 2005, payable after February 15, 2005, which become delinquent after April 30, 2005, if first half not paid;
Amount:\$1,715.88
Tax Account No.:222401-2-103-2003
Affects:Parcel I
Levy Code:0010
Land Value:\$128,190.00
Improvement Value:\$0.00
28. General taxes for 2005, payable after February 15, 2005, which become delinquent after April 30, 2005, if first half not paid;
Amount:\$2,444.86
Tax Account No.:222401-2-105-2001
Affects:Parcel II
Levy Code:0010
Land Value:\$182,680.00
Improvement Value:\$0.00
29. General taxes for 2005, payable after February 15, 2005, which become delinquent after April 30, 2005, if first half not paid;
Amount:\$1,049.00
Tax Account No.:3741-000-022-0101
Affects:Parcel III
Levy Code:0010
Land Value:\$78,340.00
Improvement Value:\$0.00

END SPECIAL EXCEPTIONS

BJS/jt

NOTE: The following information will be required on the first page of all recorded documents per RCW 36.18 AND 65.04 - Document Standardization:

Brief Legal: NE/NW 22-24N-1E & ptn. of Lts 22 & 23, Joseph Daly Garden Tracts, Vol. 4, Pg. 11 & Lt 1,
Supplemental Plat of Bayview Garden Tracts, Vol. 5, Pg. 19
Tax Account Nos.: 222401-2-103-2003, 222401-2-105-2001& 3741-000-022-0101